

SAN MATEO COUNTY ECONOMIC FORECAST

San Mateo County thrived in the late 1990s during the technology boom in California and the rapid rise in visitor and business travel through San Francisco International Airport. However, since the dotcom bust of 2000, the county has had severe job loss and is only now showing signs of recovery. San Mateo County has a population of more than 721,000 people and approximately 327,000 wage and salary jobs. The per capita income in San Mateo County is \$57,114, and the average salary per worker is among the highest in the state at \$74,191.

Although not nearly as robust as Southern California, employment growth in Northern California was strong in 2005, compared to the previous four years. Employment in the greater Bay Area increased by 0.8 percent last year. In 2005, job growth was flat in San Mateo County, but the net creation of 400 wage and salary jobs reversed four consecutive years of job losses. The unemployment rate fell to 4.3 percent in 2005.

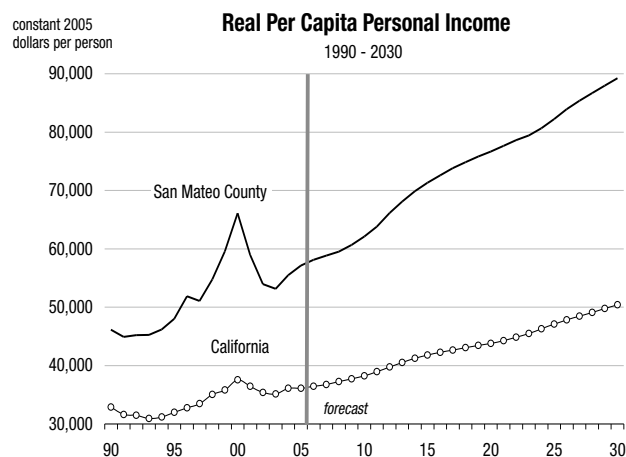
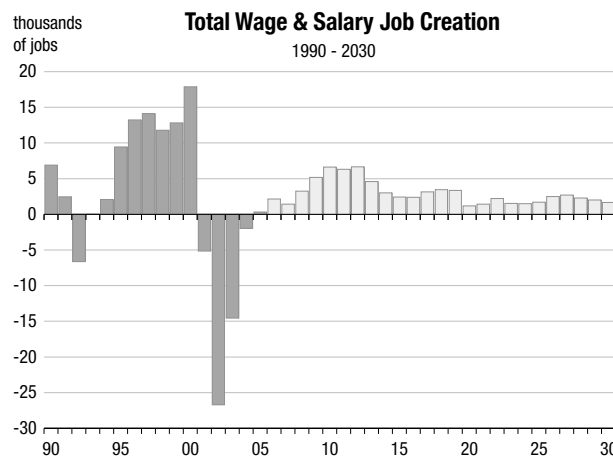
The only sector that created a significant number of jobs last year was professional services, which grew by 2,000 jobs, meaning that the rest of economy had a net loss of 1,600 jobs. The transportation (largely SFO airport), manufacturing and information sectors lost a combined total of 2,700 jobs.

Population growth remains positive in San Mateo County, but the rate of growth is a scant 0.5 percent. No cities grew by more than 1.0 percent last year. The largest city in the county, Daly City, grew 0.6 percent.

Employment growth is forecast to accelerate modestly in San Mateo County in 2006 and 2007. In 2008 and beyond the county will return to healthier levels of job creation and slightly higher population growth.

FORECAST HIGHLIGHTS

- Job growth is forecast to reach 0.7 percent in 2006. Over the next five years job growth in the county will gain momentum, and the annual growth rate is expected to average 1.1 percent per year.
- Average salaries adjusted for inflation are currently well above the California average, and will remain so over the forecast horizon. Real average salaries are forecast to rise an average of 1.3 percent per year over the next 5 years.
- Between 2006 and 2010, the momentum for employment growth is in professional services and information services. These sectors are forecast to contribute 61 percent of all jobs created in the county over the next five years, with nearly 46 percent coming from the professional services sector.

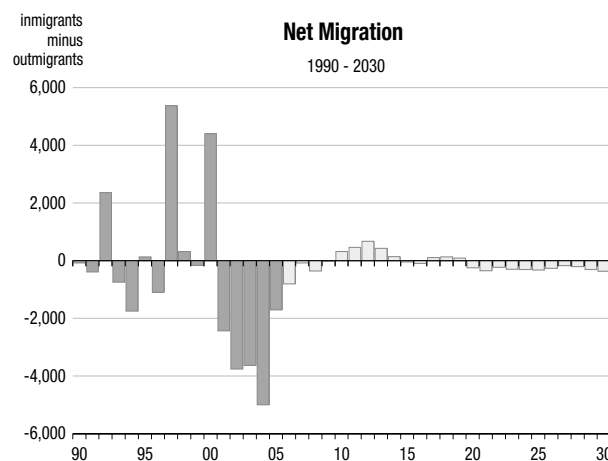
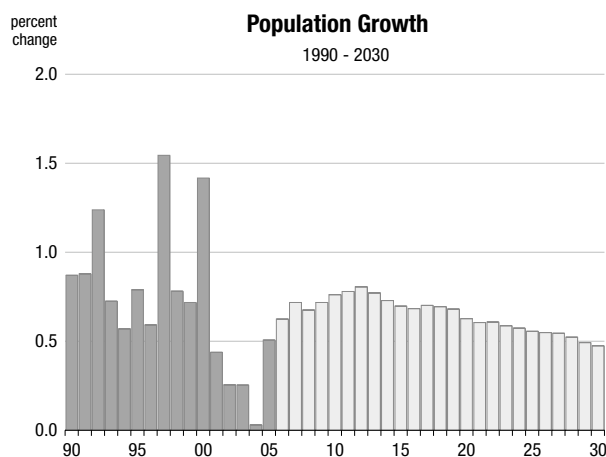


- The population will grow at a rate of approximately 0.6 percent in 2006. Annual growth in the 2006 to 2010 period is forecast to increase slightly, averaging 0.7 percent per year.
- Net migration is expected to remain negative in 2006 for the sixth consecutive year. Over the next five years net migration is expected to trend closer to zero.
- Real per capita incomes increase at a rate of 1.8 percent in 2006. Over the next five years real per capita incomes are forecast to increase 1.7 percent per year.
- Industrial production is forecast to rise 2.6 percent in 2006. Over the next five years the growth rate of industrial production will average 2.3 percent per year, due largely to rising levels of industrial (transportation) employment.

San Mateo County Economic Forecast

1997-2005 History, 2006-2030 Forecast

	Population (people)	Net Migration (people)	Registered Vehicles (thousands)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (millions)	Real Industrial Production (billions)	Unemploy- ment Rate (percent)
1997	690,400	5,375	637.4	248.5	1,519	\$10.7	\$27.9	\$51,062	3.4	272.0	6.2	2.7
1998	695,800	323	711.9	249.8	2,175	\$11.0	\$31.1	\$54,743	3.2	225.7	6.7	2.5
1999	700,800	-157	714.4	251.2	901	\$12.1	\$35.5	\$59,551	4.2	208.4	7.2	2.0
2000	710,732	4,405	708.9	254.1	2,317	\$14.0	\$41.7	\$66,101	4.5	223.7	7.7	2.9
2001	713,847	-2,430	698.0	255.1	1,441	\$12.9	\$39.4	\$58,957	5.4	189.2	6.7	3.8
2002	715,672	-3,759	712.4	256.7	1,423	\$11.6	\$36.7	\$53,940	1.6	192.5	6.5	5.7
2003	717,492	-3,625	685.4	258.1	1,304	\$11.4	\$36.9	\$53,146	1.8	186.4	6.7	5.9
2004	717,710	-4,993	714.9	259.2	609	\$11.8	\$39.0	\$55,461	1.2	183.4	7.3	4.9
2005	721,350	-1,705	718.2	260.2	868	\$11.9	\$41.2	\$57,114	2.0	181.5	7.3	4.3
2006	725,856	-799	730.5	260.7	654	\$12.7	\$43.7	\$58,127	2.7	181.5	7.5	4.0
2007	731,072	-75	738.3	261.3	570	\$13.2	\$45.8	\$58,812	2.1	181.5	7.6	4.1
2008	736,012	-353	747.4	261.8	598	\$13.9	\$48.1	\$59,514	2.3	181.5	7.8	3.9
2009	741,299	-18	756.4	262.4	664	\$14.7	\$50.9	\$60,640	2.2	181.5	8.0	3.7
2010	746,950	322	765.6	263.0	762	\$15.6	\$54.2	\$62,122	2.4	181.5	8.1	3.6
2011	752,777	466	774.3	263.7	867	\$16.4	\$57.8	\$63,793	2.3	181.5	8.4	3.5
2012	758,845	671	782.3	264.4	938	\$17.4	\$62.2	\$66,121	2.1	181.5	8.7	3.6
2013	764,703	434	790.3	265.3	962	\$18.3	\$66.4	\$68,075	2.2	181.5	9.0	3.7
2014	770,279	142	798.2	266.1	960	\$19.3	\$70.7	\$69,880	2.2	181.5	9.1	3.9
2015	775,660	-41	806.0	267.0	961	\$20.2	\$75.0	\$71,334	2.4	181.5	9.3	4.0
2016	780,964	-95	813.9	267.9	959	\$21.3	\$79.4	\$72,576	2.5	181.5	9.5	4.0
2017	786,446	114	821.6	268.7	960	\$22.4	\$84.1	\$73,814	2.6	181.5	9.8	4.0
2018	791,918	138	830.2	269.6	971	\$23.5	\$88.6	\$74,837	2.4	181.5	10.1	4.0
2019	797,316	96	840.0	270.4	975	\$24.7	\$93.2	\$75,825	2.4	181.5	10.4	4.0
2020	802,323	-248	850.1	271.3	970	\$25.9	\$97.9	\$76,683	2.3	181.5	10.5	4.1
2021	807,180	-347	860.5	272.2	963	\$27.1	\$102.8	\$77,658	2.3	181.5	10.6	4.1
2022	812,090	-231	870.6	273.0	963	\$28.4	\$108.0	\$78,630	2.4	181.5	10.6	4.1
2023	816,867	-292	880.4	273.9	958	\$29.7	\$113.2	\$79,427	2.3	181.5	10.6	4.1
2024	821,558	-300	889.8	274.8	964	\$31.1	\$119.1	\$80,676	2.2	181.5	10.3	4.1
2025	826,136	-324	899.0	275.6	976	\$32.7	\$125.7	\$82,225	2.2	181.5	10.0	4.1
2026	830,682	-260	908.0	276.5	996	\$34.4	\$133.0	\$83,929	2.3	181.5	9.9	4.1
2027	835,211	-167	916.4	277.4	1,019	\$36.1	\$140.2	\$85,358	2.3	181.5	9.8	4.0
2028	839,583	-202	924.3	278.3	1,036	\$37.9	\$147.9	\$86,685	2.5	181.5	9.8	4.1
2029	843,729	-306	931.8	279.2	1,043	\$39.8	\$155.9	\$87,971	2.5	181.5	9.9	4.1
2030	847,740	-364	938.7	280.2	1,025	\$41.7	\$164.0	\$89,227	2.5	181.5	9.8	4.1



San Mateo County Employment Forecast

1997-2005 History, 2006-2030 Forecast

	Total Wage & Salary	Farm	Mining & Construction	Manufac- turing	Transportation & Utilities	Wholesale & Retail Trade	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
-----employment (thousands of jobs)-----												
1997	333.2	2.88	15.3	33.2	32.8	52.9	24.7	62.7	11.2	27.2	30.7	30.1
1998	345.0	2.92	16.6	35.1	33.7	53.6	25.8	64.0	13.6	28.2	30.2	31.4
1999	357.8	2.88	17.7	35.6	34.0	53.5	25.8	70.8	17.7	27.9	29.5	32.1
2000	375.7	2.93	18.9	35.9	35.2	54.0	24.7	78.5	24.0	28.1	30.5	32.5
2001	370.6	2.88	19.7	34.8	34.4	54.0	23.9	71.0	26.1	29.1	30.9	32.9
2002	343.9	2.68	18.9	31.0	29.3	51.2	22.1	59.3	23.3	30.0	30.8	33.6
2003	329.3	2.58	17.9	29.0	27.8	48.9	21.1	55.2	22.5	30.1	30.3	32.7
2004	327.4	2.19	18.0	29.5	28.1	47.1	21.1	56.2	21.2	30.5	30.6	32.1
2005	327.7	1.90	17.7	28.9	27.2	47.3	21.2	58.2	20.0	30.7	31.0	32.5
2006	329.9	1.66	17.4	28.7	27.6	47.3	21.3	59.8	19.8	30.9	31.3	32.9
2007	331.3	1.46	16.9	28.6	28.0	47.4	21.4	60.5	19.8	31.1	31.6	33.3
2008	334.6	1.30	16.5	28.7	28.2	47.6	21.4	61.9	20.5	31.4	31.8	33.7
2009	339.8	1.17	16.4	28.9	28.5	48.0	21.5	64.2	21.6	31.6	32.1	34.0
2010	346.4	1.07	16.5	29.0	29.0	48.5	21.5	67.2	23.0	31.9	32.4	34.3
2011	352.8	0.98	16.8	29.5	29.1	49.2	21.4	70.4	23.6	32.2	32.8	34.6
2012	359.4	0.91	17.1	29.7	29.2	50.3	21.4	73.4	24.4	32.5	33.2	34.9
2013	364.1	0.85	17.3	29.7	29.2	51.2	21.4	75.7	24.2	33.0	33.6	35.1
2014	367.1	0.80	17.4	29.0	29.2	52.1	21.5	77.6	23.9	33.4	34.1	35.3
2015	369.5	0.76	17.4	28.4	29.1	52.8	21.6	79.1	23.4	33.9	34.5	35.4
2016	371.9	0.73	17.4	28.5	29.3	53.3	21.6	80.1	22.8	34.5	34.9	35.5
2017	375.1	0.70	17.4	28.6	29.3	53.8	21.7	81.1	23.2	35.0	35.3	35.6
2018	378.5	0.68	17.4	29.1	29.3	54.1	21.7	82.1	23.7	35.5	35.6	35.7
2019	381.9	0.66	17.4	29.3	29.3	54.4	21.7	83.2	24.3	36.0	35.9	35.8
2020	383.1	0.64	17.4	28.9	29.2	54.8	21.7	83.9	23.9	36.5	36.2	35.8
2021	384.5	0.63	17.3	28.8	29.0	55.1	21.7	84.9	23.3	37.0	36.5	35.9
2022	386.8	0.62	17.3	29.1	28.9	55.3	21.8	85.9	23.1	37.4	36.8	35.9
2023	388.3	0.62	17.2	29.3	28.7	55.5	21.8	86.7	22.6	37.8	37.2	36.0
2024	389.8	0.61	17.2	29.3	28.4	55.7	21.7	87.6	22.2	38.3	37.6	36.0
2025	391.6	0.61	17.2	29.3	28.2	56.1	21.7	88.5	21.8	38.7	38.1	36.1
2026	394.1	0.60	17.3	29.3	28.0	56.4	21.6	89.5	21.9	39.1	38.5	36.2
2027	396.8	0.60	17.4	29.3	27.7	56.7	21.5	90.4	22.5	39.6	39.0	36.2
2028	399.1	0.60	17.5	29.2	27.4	57.1	21.5	91.2	22.8	40.0	39.4	36.3
2029	401.1	0.59	17.6	29.1	27.2	57.3	21.5	92.0	22.8	40.5	39.9	36.3
2030	402.8	0.59	17.6	29.1	26.9	57.6	21.5	92.6	22.7	40.9	40.3	36.3

